It is more important to do what is strategically right than what is immediately profitable.
Organizational Level

- Corporate Level  ⇒  Corporate Strategic Plan
- Division Level  ⇒  Fund Allocation Plan
- Business Unit Level  ⇒  Profit Oriented Plan
- Product Level  ⇒  Marketing Plan
Strategic Planning

- Strategic marketing plan
- Tactical marketing plan
- Marketing plan
All corporate headquarters undertake four planning activities:

- Defining the Corporate Mission
- Establishing Strategic Business Units (SBUs)
- Assigning resources to each SBU
- Assessing growth opportunities
Defining the Corporate Mission

- Characteristics of Good Mission:
  - Focus in limited number of goals
  - Stress on the company’s major policies & values
  - Define the major competitive sphere
  - Have a long-term view
Defining the Corporate Mission

- Mission statements define which competitive scopes the company will operate in
  - Industry scope
  - Products and applications scope
  - Competence scope
  - Market-segment scope
  - Vertical scope
  - Geographical scope
Establishing Strategic Business Units (SBUs)

- Business:
  - Superior to product definition
  - Customer-satisfying process, not a goods-producing process
  - Products are transient; basic needs and customer groups endure forever
  - Example: transportation is a need; the horse and carriage, the automobile, the railroad, the airline, and the truck are products that meet that need
<table>
<thead>
<tr>
<th>Company</th>
<th>Product Definition</th>
<th>Market Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missouri-Pacific Railroad</td>
<td>We run a railroad</td>
<td>We are a people-and-goods mover</td>
</tr>
<tr>
<td>Xerox</td>
<td>We make copying equipment</td>
<td>We help improve office productivity</td>
</tr>
<tr>
<td>Standard Oil</td>
<td>We sell gasoline</td>
<td>We supply energy</td>
</tr>
<tr>
<td>Columbia Pictures</td>
<td>We make movies</td>
<td>We market entertainment</td>
</tr>
<tr>
<td>Encyclopaedia</td>
<td>We sell encyclopedias</td>
<td>We distribute Information</td>
</tr>
<tr>
<td>Carrier</td>
<td>We make air conditioners and furnaces</td>
<td>We provide climate control in the home</td>
</tr>
</tbody>
</table>
Three Characteristics of SBUs
- Single business or collection of related businesses that can be planned for separately
- Has its own set of competitors
- Has a manager who is responsible for strategic planning and profit

SBU Strategies

SBU Lifecycle
Assessing growth opportunities:

- Planning new businesses
  - Intensive Growth, achieve further growth within current businesses
  - Integrative Growth, build or acquire businesses that are related to current businesses
  - Diversification Growth, add attractive businesses unrelated to current businesses

- Downsizing and Terminate Older Businesses
Market-penetration Strategy

Product-development Strategy

Market-development Strategy

(Diversification Strategy)
Business Unit Strategic Planning

- Business Mission
- SWOT Analysis
  - External Environment Analysis (Opportunity and Threat Analysis)
    - Marketing Opportunity
      - Buying opportunity more convenient or efficient
      - Meet the need for more information and advice
      - Customize an offering that was previously only available in standard form
Marketing Opportunity Analysis (MOA)

- Can the benefits be articulated to a target market?
- Can the target market be reached with cost-effective media and trade channels?
- Does the company have the critical capabilities to deliver the customer benefits?
- Can the company deliver these benefits better than any actual or potential competitors?
- Will the rate of return meet the required threshold of investment?
### Opportunity and Threat Matrices

#### (a) Opportunity matrix

<table>
<thead>
<tr>
<th>Attractiveness</th>
<th>Success Probability</th>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>High</td>
<td>1. Company develops a more powerful lighting system</td>
</tr>
<tr>
<td></td>
<td>Low</td>
<td>2. Company develops a device for measuring the energy efficiency of any lighting system</td>
</tr>
<tr>
<td>Low</td>
<td>High</td>
<td>3. Company develops a device for measuring illumination level</td>
</tr>
<tr>
<td></td>
<td>Low</td>
<td>4. Company develops a software program to teach lighting fundamentals to TV studio personnel</td>
</tr>
</tbody>
</table>

#### (b) Threat matrix

<table>
<thead>
<tr>
<th>Seriousness</th>
<th>Probability of Occurrence</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>High</td>
<td>1. Competitor develops a superior lighting system</td>
</tr>
<tr>
<td></td>
<td>Low</td>
<td>2. Major prolonged economic depression</td>
</tr>
<tr>
<td>Low</td>
<td>High</td>
<td>3. Higher costs</td>
</tr>
<tr>
<td></td>
<td>Low</td>
<td>4. Legislation to reduce number of TV studio licenses</td>
</tr>
</tbody>
</table>
Business Unit Strategic Planning

- Internal Environmental Analysis (Strength/Weakness Analysis)
- Goal Formation
- Strategic Formulation
  - Strategy
- Porter’s Generic Strategies
  - Overall cost leadership
  - Differentiation
  - Focus
Operational Effectiveness and Strategy
  - Strategic group
  - Strategic alliances

Marketing Alliances
  - Product or service alliances
  - Promotional alliances
  - Logistical alliances
  - Pricing collaborations

Partner Relationship Management, PRM

Program Formulation and Implementation

Feedback and Control
The Marketing Process

❖ Steps in the Planning Process
  ▪ The marketing process
❖ Analyzing Market Opportunities
❖ Developing Marketing Strategies
❖ Planning Marketing Programs
❖ Managing the Marketing Effort
  ▪ Annual-plan control
  ▪ Profitability control
  ▪ Strategic control
Factors Influencing Company Marketing Strategy

Demographic/economic environment

Marketing Intermediaries

Target customers

Product

Price

Promotion

Place

Marketing information system

Marketing system

Marketing planning system

Marketing organization and implementation system

Marketing control

Suppliers

Political/legal environment

Competitors

Social/cultural environment

Technological/physical environment

Publics
Contents of the Marketing Plan

- Executive Summary
- Current Marketing Situation
- Opportunity and issue analysis
- Objectives
- Marketing strategy
- Action programs
- Financial projections
- Implementation controls
Thank You!

www.aeunike.lecture.ub.ac.id

Mata Kuliah: Pemasaran (TKI 4212)